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Counsel for plaintiff E. Lynn Schoenmann,
Trustee of the Bankruptcy Estate of
RealtyShares, Inc.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re
REALTYSHARES, INC.,
Debtor.

Case No. 20-30621

Chapter 7

E. LYNN SCHOENMANN, Trustee of the
Bankruptcy Estate of Realty Shares, Inc.

Adversary Proceeding No. 21-3066-DM

FIRST AMENDED COMPLAINT

Plaintiff,

(Account Stated; Common Count;
Money Had and Received; Successor
Liability)

vs.

RS LENDING, INC.; REALTYSHARES
SECURITIES, LLC; and
IIRR MANAGEMENT SERVICES, LLC,

Defendants

Parties

1. Plaintiff E. Lynn Schoenmann is the Trustee of the bankruptcy estate of RealtyShares, Inc. (“RealtyShares” or the “Debtor”).

2. RealtyShares is a Delaware corporation with its former principal place of business in San Francisco, California.

1 3. Defendant RS Lending, Inc. (“RS Lending”) is or was a Delaware corporation with its
2 principal place of business in San Francisco, California. RS Lending is or was a wholly owned
3 subsidiary of RealtyShares. RS Lending operated as the real estate investment arm of
4 RealtyShares.

5 4. Defendant RealtyShares Securities, LLC (“RealtyShares Securities”) is or was a
6 Delaware LLC with its principal place of business in San Francisco, California. RealtyShares
7 Securities is or was a wholly owned subsidiary of RealtyShares. RealtyShares Securities operated
8 as the investment broker-dealer for securities offered by RS Lending.

9 5. Defendant IIRR Management Services, LLC (“IIRR”) is a Delaware LLC with its
10 principal place of business in San Francisco, California.

11 ***Jurisdiction, venue and intradistrict assignment***

12 6. RealtyShares filed a petition under Chapter 7 of Title 11 of the United States Code
13 (the “Bankruptcy Code”) on July 31, 2020 (the “Petition Date”), initiating *In re RealtyShares, Inc.*,
14 Case No. 20-30621 (the “Chapter 7 case”).

15 7. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and
16 1334.

17 8. This proceeding is “related to” within the meaning of 28 U.S.C. § 157(a), and an
18 adversary proceeding pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure (the
19 “Bankruptcy Rules”), which relates to the Chapter 7 case.

20 9. Venue is proper in this Court and Division pursuant to 28 U.S.C. §§ 1408 and 1409
21 and B.L.R. 1002-1(a).

22 10. Pursuant to Rule 7008 of the Bankruptcy Rules, the Trustee consents to entry of final
23 orders and judgments by the Court if it is determined that the Court, absent the consent of the
24 parties, cannot enter final orders or judgments consistent with Article III of the United States
25 Constitution.

1 *Facts*

2 *The business of RealtyShares, RS Lending and Realty Shares Securities*

3 11. RealtyShares owned and operated an online investment platform for real estate crowd
4 funding services, www.realtyshares.com (the “Platform”). The Platform enabled investors to
5 purchase shares in private real estate investments, provided investors access to a range of real
6 estate investment options, and allowed users to browse, view, finalize, and manage real estate
7 investments online.

8 12. RS Lending served as the issuer of debt securities, offering and selling to investors
9 promissory notes made by RS Lending that were dependent for payment on payments RS Lending
10 received on specific corresponding borrower loans relating to real estate. These securities were
11 offered through the Platform.

12 13. RS Lending raised money from investors, sought out credit worthy borrowers, and
13 then provided collection, accounting and distribution services.

14 14. As the Platform stated, “An Investor will be purchasing certain promissory notes
15 offered in accordance with the series and offering information more fully described in the Platform
16 Offering-Specific Information (defined below) (the ‘*Borrower Payment Dependent Notes*,’ or the
17 ‘*Notes*’) of RS Lending, Inc. (the ‘*Company*’) that are dependent on payments that the Company
18 receives from one or more corresponding borrower loans relating to real estate. The Company will
19 issue the Notes in series, each series relating to one or more corresponding borrower loans, and
20 offers the Notes through the online platform at www.realtyshares.com (the ‘*RealtyShares*
21 *Platform*’).”

22 15. For example, for Borrower A, RS Lending, with the assistance of personnel from
23 Realty Shares, would obtain and process loan applications, perform underwriting, and prepare
24 secured loan documents, including a deed of trust on Borrower A's real property collateral. RS
25 Lending made the loan and held the security agreement, and made collections, for the benefit of
26 Investor Group X.

1 16. For Investor Group X, which funded the loan to Borrower A, RS Lending, with the
2 assistance of personnel from Realty Shares, would perform all collection/administration and
3 Investor distribution services.

4 17. Investors could access (a) debt investments in the form of first or second-position
5 loans usually yielding a fixed interest rate of 8-12% annually, as well as (b) equity investments in
6 residential and commercial properties offering cash flows during the holding period and/or a
7 portion of the profits upon a sale of the property.

8 18. RealtyShares would set up a separate Limited Liability Company ("LLC"), for each
9 investment opportunity listed on the Platform. That LLC in turn would make a loan on a real
10 estate property (in the case of a debt investment) or hold equity in an LLC or Limited Partnership
11 that in turn owned real estate property (in the case of an equity investment). When an investor
12 invested through RealtyShares, the investor owned shares in that LLC.

13 19. If someone invested in a debt deal, the fund he/she invested in would be secured by a
14 residential or commercial property, and would receive monthly interest payments. A share of those
15 payments would be deposited directly into the investor's bank account.

16 20. If someone invested in an equity investment opportunity (usually in a residential or
17 commercial property or group of properties), the fund he/she invested in would receive periodic
18 payments of cash flow from rents and/or a share of the proceeds when the property was eventually
19 sold. As with debt investments, a share of those payments would be deposited directly into the
20 investor's bank account.

21 21. According to RealtyShares Securities' Annual Audited Report, Form X-17A-5, Part
22 III, for the period ending 12/31/2017, filed with the United States Securities and Exchange
23 Commission, "RealtyShares Securities, LLC (the 'Company') is a Delaware Limited Liability
24 Company ('LLC') registered as a broker-dealer in securities." The same filing states that "The
25 Company works alongside a third-party broker-dealer ("BD"), that effects the securities
26 transactions related to real estate investment opportunities listed on the online investment platform
27 operated by the company's parent, RealtyShares, Inc., at www.realtyshares.com. The Company

1 provides related offering services in support of the BD's securities transactional work. It does not
2 carry security accounts for customers and does not perform custodial functions relating to
3 customer securities.”

4 *The companies' intercompany payables and receivables*

5 22. Based on the information available to the Trustee, neither RS Lending nor
6 RealtyShares Securities had any direct employees. All their operations and operating costs were
7 performed and paid by RealtyShares, which would then allocate its costs to RS Lending and
8 RealtyShares Securities, and which would then also receive fees and/or reimbursements for its
9 services. This resulted in a series of ongoing inter-company payables and receivables.

10 23. These transactions, and corresponding payables and receivables, were entered into
11 RealtyShares' General Ledger in the ordinary course of its business, with the expectation that they
12 would be paid and received accordingly.

13 24. As evidenced by RealtyShares' December 31, 2018 General Ledger, the RealtyShares
14 bankruptcy estate holds a receivables claim against RS Lending in the amount of \$47,136.318.21.
15 There is an offset for an intercompany payable of \$8,795,252.86. The net balance owed the
16 RealtyShares bankruptcy estate by RS Lending is \$38,341,065.35.

17 25. This net receivable is a claim belonging to the Debtor, RealtyShares, Inc., and is not a
18 claim belonging to any third party or creditor of the Debtor.

19 26. As evidenced by RealtyShares' December 31, 2018 General Ledger, the RealtyShares
20 bankruptcy estate holds a receivables claim against RealtyShares Securities in the amount of
21 \$20,784,748.52. There is an offset for an intercompany payable of \$1,037,147.21. The net balance
22 owed the RealtyShares bankruptcy estate by RealtyShares Securities is \$19,747,601.31.

23 27. This net receivable is a claim belonging to the Debtor, RealtyShares, Inc., and is not a
24 claim belonging to any third party or creditor of the Debtor.

25 28. As a result of these net receivables being claims belonging to the Debtor,
26 RealtyShares, Inc., the Trustee stands in the shoes of the Debtor and has standing to bring suit to
27 recover these sums. *See, e.g., Ahcom, Ltd. v. Smeding*, 623 F.3d 1248, 1250 (9th Cir. 2010).

1 29. The Trustee also has standing to bring this action for successor liability on the causes
2 of action asserted herein. *Id.*; see also *Brown Bark III, L.P. v. Haver*, 219 Cal. App. 4th 809, 822
3 (2013); *In re Anderson & Strudwick, Inc.*, 2015 WL 1651146 (E.D. Va. Bkry 2015).

4 ***IIRR becomes successor to RS Lending and RealtyShares Securities***

5 30. Between 2013 and 2018, more than a thousand investments, totaling more than
6 \$800 million dollars, were funded through the Platform with RS Lending and RealtyShares
7 Securities.

8 31. In or around November 2018, RS Lending and RealtyShares Securities ceased adding
9 new investors and offerings to the Platform due to their inability to secure additional capital.

10 32. In March 2019, RealtyShares began advising investors that Franchise Growth, LLC, one
11 of the companies in which investors had invested through RS Lending and RealtyShares Securities,
12 was defaulting on the loans, that construction on the projects had ceased or had never started and that
13 the loan funds were substantially depleted.

14 33. IIRR is a single-purpose entity formed on or about April 24, 2019 for the sole purpose of
15 acquiring RealtyShares' assets and subsidiaries, including RS Lending and RealtyShares Securities,
16 and taking over the operations of RS Lending and RealtyShares Securities and the RealtyShares
17 Platform.

18 34. IIRR's listing on the LinkedIn© website states that it is "One of the largest, tech
19 powered, crowd-sourced real estate investment firms in the world." The same listing states that
20 IIRR "is owned by RREAF Holdings and iintoo Investments, and recently took over management
21 of Realtyshares' portfolio."

22 35. That "portfolio" is the portfolio of assets and securities managed by RS Lending and
23 RealShares Securities.

24 36. A "Crunchbase"© website states that RealtyShares was "acquired by iintoo" and that
25 "iintoo acquired RealtyShares for an undisclosed amount" on May 13, 2019.

26 37. On or about April 29, 2019, IIRR effectively acquired all the assets and operations of
27 RealtyShares' subsidiaries and affiliates, including RS Lending and RealtyShares Securities,

1 acquired the Platform through which all investors' investments were made, and contracted to
2 manage the remaining investments and investors on the Platform. The acquisition was effectuated
3 through various agreements, the two major ones being an "Asset Purchase and License
4 Agreement" or "APLA" and a "Management Services Agreement" or "MSA."

5 38. The APAL provided that IIRR purchased from the "Company" – defined as
6 "RealtyShares, Inc., a Delaware corporation, on behalf of itself and its direct and indirect
7 subsidiaries" – "all real estate-related investment positions held [by] the Company . . . including
8 the Company's . . . (ii) investments in borrower payment dependent notes relating to loans
9 originally made by RS Lending, Inc."

10 39. The APAL provided that IIRR was given an "exclusive, non-transferrable, non-
11 sublicensable . . . worldwide license to all the Company's assets other than the (i) initial purchased
12 assets and (ii) the Excluded Assets (as defined below) (collectively, the '*Licensed Assets*') solely
13 for the purposes of exercising the Buyer's rights and obligations pursuant to the Management
14 Services Agreement ('*Purposes*')," including "all books and records of the Company and its
15 Affiliates directly or indirectly related to the Purchase Assets or otherwise necessary or advisable
16 for the continuing management of the Investments and the servicing of Investors,"

17 40. The APAL provided that IIRR was given the same "exclusive . . . worldwide license"
18 to "all intellectual property . . . associated with the Business" – defined as "the business [of the
19 "Company and its subsidiaries"] of operating an online real estate investment marketplace and
20 managing the real estate loans and investments made through its platform (as such loans and
21 investments may still be active, the '*Portfolio Managed Investments*'), including handling or
22 overseeing the processing of sponsor payments, investor distributions, and the publication of
23 informational updates to the investors that financed such Investments (the '*Investors*')."

24 41. The APAL provided that IIRR was given the same "exclusive . . . worldwide license"
25 to "all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances
26 and similar rights obtained and remaining necessary for, or required to be obtained from
27 Governmental Authorities that are held in connection with the Business."

1 42. IIRR was given the right to “purchase” all the “Licensed Assets,” as well as other
2 designated assets, for \$1.00.

3 43. Among the other designated assets that IIRR could purchase, included in the \$1.00
4 price tag, were “the equity interests held by the Company in all subsidiaries that are not
5 Investment Assets, including but not limited to RealtyShares Securities, LLC”

6 44. The MSA between RealtyShares (referred to as the “Company”) and IIRR provided
7 that IIRR would manage “all active portfolio managed real estate investments that the Company
8 originated and promoted on its website platform, and through or in which various investors of the
9 Company (the “Platform Investors”) made investments, and shall include the specific investment
10 entities organized to effectuate such Investment on behalf of the Platform Investors.”

11 45. These “active portfolio managed real estate investments” were those investments
12 made through and managed by RS Lending.

13 46. The MSA provided that IIRR (referred to as the “Manager”) “shall handle all asset
14 management services through RealtyShares Advisor, LLC or such other adviser as the Manager
15 may reasonably determine . . . by keeping the website www.realtyshares.com up and running (as
16 further described in clause (e) below, either directly or through the assumption, in its sole
17 discretion, of the Company’s support services agreement with Current Intelligence Inc.)”

18 47. The MSA provided that “[t]he Manager shall control the prosecution or defense of
19 any and all legal proceedings and/or third party claims by or against the Company and the
20 Subsidiaries that relate to the Portfolio Managed Investments arising or accruing from and after
21 the Effective Date.”

22 48. The transaction documents reflect that RealtyShares personnel and the functions,
23 management and services they performed for and provided to RS Lending and RealtyShares
24 Securities would be transferred to IIRR under “Transition Services Agreements.”

25 49. The MSA provided that the “Manager,” *i.e.*, IIRR, “shall cause certain of its officers
26 as the Company may from time to time reasonably request (collectively, the ‘*Manager’s*
27 *Employees*’) to act (at no additional expense) as authorized signatories of the Subsidiaries, in the

1 limited capacity reasonably understood as being necessary or advisable for the rights and
2 obligations of the respective Manager affiliate with respect to the applicable Subsidiaries and the
3 Portfolio Managed Investments.”

4 50. This effectively made IIRR’s officers the officers of RealtyShares’ subsidiaries,
5 including RS Lending and RealtyShares Securities.

6 51. IIRR took over all the ongoing, operating business of RS Lending and RealtyShares
7 Securities.

8 52. Following the transfer, IIRR used RealtyShares’ staff and partners to continue the
9 operations of RS Lending and RealtyShares Securities. IIRR has continued the operations of RS
10 Lending and RealtyShares Securities without interruption and without any substantive changes.

11 53. For all practical purposes, IIRR consolidated, merged with and took over the operations
12 of RS Lending and RealtyShares Securities.

13 54. Following the transfer, RealtyShares became a moribund entity and existed as a shell
14 company only on paper for the purposes of winding down its affairs before ultimately filing for
15 bankruptcy.

16 55. IIRR, having stepped into the shoes of RS Lending and RealtyShares Securities, then told
17 the investors in the Franchise Growth-investments that they should expect to incur substantial losses.

18 56. The April 29, 2019 acquisition agreements are structured in a way that gives IIRR
19 complete dominion and control over all the viable assets and operations of RS Lending and
20 RealtyShares Securities.

21 57. As described above, they provide that IIRR acquired “Initial Purchased Assets” consisting
22 of RealtyShares’ investment portfolio and client lists – namely, the investment portfolio and client lists
23 of RS Lending – and also gave IIRR an exclusive, open-ended license to RealtyShares’ remaining
24 assets, including all its intellectual property such as the RealtyShares’ website (the “Licensed Assets”).

25 58. The “purchase price” for the acquisition of the Initial Purchased Assets was \$500,000.
26
27

1 59. As a result of the acquisition, IIRR has taken over \$1.5 billion in assets under
2 management from RealtyShares and RS Lending, while investors have been left with an almost total
3 loss of their investments.

4 60. Under the circumstances, no adequate consideration was given for the RealtyShares
5 and RS Lending assets acquired by IIRR and made available for meeting the claims of
6 RealtyShares' unsecured creditors.

7 61. Relevant to the monetary claims asserted by the Trustee in this action, the MSA
8 granted IIRR sole authority to "settle all inter-company accounts between the Company and the
9 Subsidiaries and/or third-party vendors (including Assure) arising from or accruing from and after
10 the Effective Date, in accordance with such ordinary course practices for payments as shall be in
11 existence from time to time."

12 62. At all times after April 29, 2019, IIRR has operated as and been the successor to RS
13 Lending and RealtyShares Securities, has impliedly and expressly assumed their liabilities, and
14 has effectively consolidated and merged with RS Lending and RealtyShares Securities by
15 continuing their business operations, managing the same assets, using the same platform and
16 employing the same personnel, effectively amounting to a merger and/or consolidation between
17 RS Lending and RealtyShares Securities, on the one hand, and IIRR, on the other, resulting in the
18 complete continuation as successor of RS Lending and RealtyShares Securities and their business
19 and operations.

20 63. This is confirmed by IIRR's own contemporary and current descriptions to the public
21 and to the RS Lending and RealtyShares Securities investors.

22 64. In an announcement on or about May 14, 2019 – a day after the May 13, 2019 date
23 that a "Crunchbase" website indicates when "iintoo [one of IIRR's owners] acquired RealtyShares
24 for an undisclosed amount" – RealtyShares' management advised as follows, emphasizing the
25 continuity in operations following IIRR's agreement to manage the RS Lending and RealtyShares
26 Securities investments and to purchase the RealtyShares Platform and RS Lending and its assets:

1 Today, we are pleased to announce that we have contracted with IIRR Management
2 Services, LLC to manage the remaining investments and investors on the RealtyShares
3 platform, and to purchase certain assets of RealtyShares and its subsidiaries....
4 IIRR Management Services, LLC will leverage current RealtyShares staff and partners
5 (including Assure Services, our Fund Administrator) to continue servicing investors and
6 assets through the RealtyShares platform.... This contract management transition does not
7 change your rights in or the structure of the underlying real estate investments. You can
8 continue to reach us at contact@realtyshares.com.

9 65. The “assets” referred to in this announcement were the assets managed by RS
10 Lending and “the securities transactions related to real estate investment opportunities listed on the
11 online investment platform operated by the company's parent, RealtyShares, Inc.” referred to in
12 the RealtyShares Securities’ Annual Audited Report, Form X-17A-5, Part III, for the period
13 ending 12/31/2017, filed with the United States Securities and Exchange Commission, described
14 above.

15 66. The “subsidiaries” referred to in this announcement included RS Lending and
16 RealtyShares Securities.

17 67. Following this announcement, IIRR posted the following on the home page of the
18 RealtyShares web site, www.realtyshares.com (emphasis added):

19 We are proud to announce that RealtyShares ongoing operations for investors *is*
20 *being taken over* by IIRR Management Services, LLC....

21 CONTACT US contact@realtyshares.com

22 IIRR *has acquired* RealtyShares.com from RealtyShares Inc. We will continue to
23 operate the RealtyShares site and offer the same high quality platform and
24 services. As of April 29, 2019, all RealtyShares users are subject to the Privacy
25 Policy and Terms of Service of IIRR Management Services, which provides the
26 same level of privacy rights and protections for users’ personal information as
27 RealtyShares’s former Terms of Service and Privacy Policy.

68. The “ongoing operations for investors” referred to in this website posting are the operations of RS Lending.

69. The “services” referred to in this website posting are the “services for investors” provided by RS Lending and RealtyShares Securities.

70. Another active RealtyShares webpage, <https://www.realtyshares.com/investor-signup>, states, “For new offerings from the affiliates of IIRR Management Services, LLC, iintoo Investments and RREAF Holdings, LLC, please click here,” and under the heading “CONTACT US” states that “IIRR has acquired RealtyShares.com from Realty Shares, Inc. We will continue to operate the RealtyShares site and offer the same high quality platform and services” (accessed Nov. 29, 2021).

71. IIRR has continued offering the same services that RS Lending and RealtyShares Securities previously provided to their investors, and has done so using the same RealtyShares' website and Platform, which IIRR now controls and manages. IIRR does not have and has never had its own website.

72. In litigation in the United States District Court for the District of Massachusetts brought by former RealtyShares investors styled *Raudonis v. RealtyShares, Inc.*, case no. 1:20-cv-10107 (PBS), IIRR obtained a stay of the action under the automatic stay of proceedings against RealtyShares as a result of its bankruptcy filing, *see* 11 U.S.C. § 362(a)(1), predicated on IIRR’s status as the alleged successor to RealtyShares. *See* Memorandum and Order, ECF Doc. 71 (2/11/22) at 3 (“IIRR, the alleged successor to RealtyShares, . . .”), 5 (“The parties agree that, because IIRR is an alleged successor to RealtyShares, the plaintiffs cannot proceed against IIRR without also proceeding against RealtyShares. Accordingly, the Court grants IIRR’s motion seeking to stay proceedings against IIRR.”).

Claims for Relief

Count I

Account Stated (RS Lending)

73. The Trustee repeats and incorporates the allegations set forth above.

74. Based on the prior course of conduct and prior transactions reflected in the RealtyShares General Ledger, RS Lending owes the RealtyShares bankruptcy estate the sum of \$38,341,065.35.

75. By virtue of their ongoing intercompany course of business, RS Lending agreed that the net amount owed by RS Lending to RealtyShares of \$38,341,065.35 was and is the correct amount owed.

76. By virtue of their ongoing intercompany course of business, RS Lending promised to pay to RealtyShares the stated amount of \$38,341,065.35. RS Lending has not paid RealtyShares or the RealtyShares bankruptcy estate the stated amount of \$38,341,065.35.

Count II

Account Stated (RealtyShares Securities)

77. The Trustee repeats and incorporates the allegations set forth above.

78. Based on the prior course of conduct and prior transactions reflected in the RealtyShares General Ledger, RealtyShares Securities owes the RealtyShares bankruptcy estate the sum of \$19,747,601.31.

79. By virtue of their ongoing intercompany course of business, RealtyShares Securities agreed that the net amount owed by RealtyShares Securities to RealtyShares of \$19,747,601.3 was and is the correct amount owed.

80. By virtue of their ongoing intercompany course of business, RealtyShares Securities promised to pay to RealtyShares the stated amount of \$19,747,601.31.

81. RealtyShares Securities has not paid RealtyShares or the RealtyShares bankruptcy estate the stated amount of \$19,747,601.31.

Count III

Common Count (RS Lending)

82. The Trustee repeats and incorporates the allegations set forth above.

83. RS Lending owes the RealtyShares bankruptcy estate the sum of \$38,341,065.35.

84. As a result of the ongoing intercompany course of business between RS Lending and RealtyShares, RealtyShares provided valuable consideration for the amount owed of \$38,341,065.35.

85. RS Lending has not paid the RealtyShares bankruptcy estate the amount owed of \$38,341,065.35.

Count IV

Common Count (RealtyShares Securities)

86. The Trustee repeats and incorporates the allegations set forth above.

87. RealtyShares Securities owes the RealtyShares bankruptcy estate the sum of \$19,747,601.31.

88. As a result of the ongoing intercompany course of business between RealtyShares Securities and RealtyShares, RealtyShares provided valuable consideration for the amount owed of \$19,747,601.31.

89. RealtyShares Securities has not paid the RealtyShares bankruptcy estate the amount owed of \$19,747,601.31.

Count V

Money Had and Received (RS Lending)

90. The Trustee repeats and incorporates the allegations set forth above.

91. As a result of the ongoing intercompany course of business between RS Lending and RealtyShares, RS Lending received the net sum of \$38,341,065.35.

92. As a result of RS Lending's receipt of the net sum of \$38,341,065.35 in intercompany transactions from RealtyServices, RS Lending is indebted to the RealtyServices bankruptcy estate in the amount of the net sum of \$38,341,065.35.

Count VI

Money Had and Received (RealtyShares Securities)

93. The Trustee repeats and incorporates the allegations set forth above.

94. As a result of the ongoing intercompany course of business between RealtyShares Securities and RealtyShares, RealtyShares Securites received the net sum of \$19,747,601.31.

95. As a result of RealtyShares Securities' receipt of the net sum of \$19,747,601.3 in intercompany transactions from RealtyShares Securities, RealtyShares Securities is indebted to the RealtyServices bankruptcy estate in the amount of the net sum of \$19,747,601.31.

Count VII

Successor Liability (IIRR)

96. The Trustee repeats and incorporates the allegations set forth above.

97. As the successor to RS Lending, IIRR is liable for RS Lending's obligation to the RealtyShares bankruptcy estate in the amount of \$38,341,065.35.

98. As the successor to RealtyShares Securities, IIRR is liable for RealtyShares Securities' obligation to the RealtyShares bankruptcy estate in the amount of \$19,747,601.31.

Prayer for Relief

The Trustee respectfully requests that the Court grant the following relief:

1. Awarding the Trustee the sum of \$38,341,065.35 against RS Lending, Inc.
2. Awarding the Trustee the sum of \$38,341,065.35 against IIRR Management Services, LLC as the successor to RS Lending, Inc.
3. Awarding the Trustee the sum of \$19,747,601.31 against RealtyShares Securities, LLC.
4. Awarding the Trustee the sum of \$19,747,601.31 against IIRR Management Services, LLC as the successor to RealtyShares Securities, LLC.
5. Awarding pre- and post-judgment interest according to law.
6. Awarding the Trustee her costs and attorneys' fees as may be permitted by law; and
7. Granting such other relief as may be just.

Dated: April 21, 2022

KIEVE LAW OFFICES

By s/ *Loren Kieve*_____

Counsel for plaintiff E. Lynn
Schoenmann, Trustee of the

First Amended Adversary Complaint

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Adversary Proceeding No. 21-3066-DM

Bankruptcy Estate of RealtyShares,
Inc.

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